

“SOFT MONEY OF NATIONAL POLITICAL PARTIES

“SEC. 323. (a) PROHIBITING USE OF SOFT MONEY FOR FEDERAL ELECTION ACTIVITY.—A national committee of a political party (including a national congressional campaign committee of a political party) may not solicit, receive, or direct to another person a contribution, donation, or transfer of funds or any other thing of value for Federal election activity, or spend any funds for Federal election activity, that are not subject to the limitations, prohibitions, and reporting requirements of this Act.

“(b) LIMIT ON AMOUNT OF NONFEDERAL FUNDS PROVIDED TO PARTY BY ANY PERSON FOR ANY PURPOSE.—

“(1) LIMIT ON AMOUNT.—No person shall make contributions, donations, or transfers of funds which are not subject to the limitations, prohibitions, and reporting requirements of this Act to a political committee established and maintained by a national political party in any calendar year in an aggregate amount equal to or greater than \$20,000.

“(2) PROHIBITING PROVISION OF NONFEDERAL FUNDS BY INDIVIDUALS.—No individual may make any contribution, donation, or transfer of funds which are not subject to the limitations, prohibitions, and reporting requirements of this Act to a political committee established and maintained by a national political party.

“(c) APPLICABILITY.—This subsection shall apply to any political committee established and maintained by a national political party, any officer or agent of such a committee acting on behalf of the committee, and any entity that is directly or indirectly established, maintained, or controlled by such a national committee.

“(d) DEFINITIONS.—

“(1) FEDERAL ELECTION ACTIVITY.—

“(A) IN GENERAL.—The term ‘Federal election activity’ means—

“(i) voter registration activity during the period that begins on the date that is 120 days before the date a regularly scheduled Federal election is held and ends on the date of the election, unless the activity constitutes generic campaign activity;

“(ii) voter identification or get-out-the-vote activity conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot), unless the activity constitutes generic campaign activity;

“(iii) any public communication that refers to or depicts a clearly identified candidate for Federal office (regardless of whether a candidate for State or local office is also mentioned or identified) and that promotes or supports a candidate for that office, or attacks or opposes a candidate for that office (regardless of whether the communication expressly advocates a vote for or against a candidate); or

“(iv) any public communication made by means of any broadcast, cable, or satellite communication.

“(B) EXCEPTION FOR CERTAIN ADMINISTRATIVE ACTIVITIES.—The term ‘Federal election activity’ does not include any activity relating to establishment, administration, or solicitation costs of a political committee established and maintained by a national political party, so long as the funds used to carry out the activity are derived from funds or payments made to the committee which are segregated and used exclusively to defray the costs of such activities.

“(2) GENERIC CAMPAIGN ACTIVITY.—The term ‘generic campaign activity’ means any activity that does not mention, depict, or otherwise promote a clearly identified Federal candidate.

“(3) PUBLIC COMMUNICATION.—The term ‘public communication’ means a communication by means of any broadcast, cable, or satellite communication, newspaper, magazine, outdoor advertising facility, or direct mail.

“(4) DIRECT MAIL.—The term ‘direct mail’ means a mailing by a commercial vendor or any mailing made from a commercial list.”.

## TITLE II—MODIFICATION OF CONTRIBUTION LIMITS

### SEC. 201. INCREASE IN LIMITS ON CERTAIN CONTRIBUTIONS.

(a) CONTRIBUTIONS BY COMMITTEES TO NATIONAL PARTIES.—Section 315(a)(2)(B) of such Act (2 U.S.C. 441a(a)(2)(B)) is amended by striking “\$15,000” and inserting “\$30,000”.

(b) AGGREGATE ANNUAL LIMIT ON CONTRIBUTIONS BY INDIVIDUALS.—Section 315(a)(3) of such Act (2 U.S.C. 441a(a)(3)) is amended by striking “\$25,000” and inserting “\$37,500”.

### SEC. 202. INCREASE IN LIMITS ON CONTRIBUTIONS TO STATE PARTIES.

(a) CONTRIBUTIONS BY INDIVIDUALS.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B), by striking “or” at the end;

(2) in subparagraph (C)—

(A) by inserting “(other than a committee described in subparagraph (D))” after “committee”; and

(B) by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(D) to a political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed \$10,000.”.

(b) CONTRIBUTIONS BY COMMITTEES.—Section 315(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)) is amended—

(1) in subparagraph (B), by striking “or” at the end;

(2) in subparagraph (C)—

(A) by inserting “(other than a committee described in subparagraph (D))” after “committee”; and

(B) by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(D) to a political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed \$10,000.”.

### SEC. 203. TREATMENT OF CONTRIBUTIONS TO NATIONAL PARTY UNDER AGGREGATE ANNUAL LIMIT ON INDIVIDUAL CONTRIBUTIONS.

Section 315(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441(a)(3)) is amended—

(1) by striking “(3)” and inserting “(3)(A)”; and

(2) by adding at the end the following new subparagraph:

“(B) Subparagraph (A) shall not apply with respect to any contribution made to any political committee established and maintained by a national political party which is not the authorized political committee of any candidate.”.

### SEC. 204. EXEMPTION OF COSTS OF VOLUNTEER CAMPAIGN MATERIALS PRODUCED AND DISTRIBUTED BY PARTIES FROM TREATMENT AS CONTRIBUTIONS AND EXPENDITURES.

(a) TREATMENT AS CONTRIBUTIONS.—Section 301(8)(B)(x) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)(x)) is amended by striking “a State or local committee of a political party of the costs of” and inserting “a national, State, or local committee of a political party of the costs of producing and distributing”.

(b) TREATMENT AS EXPENDITURES.—Section 301(9)(B)(viii) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(B)(viii)) is amended by striking “a State or local committee of a political party of the costs of” and inserting “a national, State, or local committee of a political party of the costs of producing and distributing”.

### SEC. 205. INDEXING.

Section 315(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(c)) is amended—

(1) in paragraph (1)—

(A) by striking the second and third sentences;

(B) by inserting “(A)” before “At the beginning”; and

(C) by adding at the end the following:

“(B) Except as provided in subparagraph (C), in any calendar year after 2002—

“(i) a limitation established by subsections (a), (b), (d), or (h) shall be increased by the percent difference determined under subparagraph (A);

“(ii) each amount so increased shall remain in effect for the calendar year; and

“(iii) if any amount after adjustment under clause (i) is not a multiple of \$100, such amount shall be rounded to the nearest multiple of \$100.

“(C) In the case of limitations under subsections (a) and (h), increases shall only be made in odd-numbered years and such increases shall remain in effect for the 2-year period beginning on the first day following the date of the last general election in the year preceding the year in which the amount is increased and ending on the date of the next general election.”; and

(2) in paragraph (2)(B), by striking “means the calendar year 1974” and inserting “means—

“(i) for purposes of subsections (b) and (d), calendar year 1974; and

“(ii) for purposes of subsections (a) and (h), calendar year 2001”.

### SEC. 206. PERMITTING NATIONAL PARTIES TO ESTABLISH ACCOUNTS FOR MAKING EXPENDITURES IN EXCESS OF LIMITS ON BEHALF OF CANDIDATES FACING WEALTHY OPPONENTS.

(a) ESTABLISHMENT OF ACCOUNTS.—Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended by adding at the end the following new paragraph:

“(4)(A) Subject to subparagraph (B), the national committee of a political party may make expenditures in connection with the general election campaign of a candidate for Federal office (other than a candidate for President) who is affiliated with such party in an amount in excess of the limit established under paragraph (3) if—

“(i) the candidate's opponent in the general election campaign makes expenditures of personal funds in connection with the campaign in an amount in excess of \$100,000 (as provided in the notifications submitted under section 304(a)(6)(B)); and

“(ii) the expenditures are made from a separate account of the party used exclusively for making expenditures pursuant to this paragraph.

“(B) The amount of expenditures made in accordance with subparagraph (A) by the national committee of a political party in connection with the general election campaign of a candidate may not exceed the amount of expenditures of personal funds made by the candidate's opponent in connection with the campaign (as provided in the notifications submitted under section 304(a)(6)(B)).”.

(b) WAIVER OF LIMITS ON CONTRIBUTIONS TO ACCOUNTS.—Section 315(a) of such Act (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

“(9) The limitations imposed by paragraphs (1)(B), (2)(B), and (3) shall not apply